



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

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MEMORANDUM

TO: Members of the Authority

FROM: Kristen MacLean, Director of Communications

DATE: October 6, 2010

SUBJECT: New Jersey Schools Development Authority (SDA)
Progress Report

CEO Testifies Before School Facilities and Construction Subcommittee

On September 21, SDA CEO Marc Larkins testified before the Joint Committee on the Public Schools' Subcommittee on School Facilities and Construction to inform legislators about the progress of New Jersey's school construction program.

Larkins testified about the SDA's latest Biannual Report, issued in July 2010, but talked about more recent developments as well. Larkins told the subcommittee, which held its hearing in Gloucester City, about three significant milestones achieved since his arrival earlier this year.

First, in April, Governor Christie announced his approval of the sale of \$500 million in bonds by the New Jersey Economic Development Authority to support the work of the SDA. Second, the funding enabled the SDA and the Department of Education (DOE) to announce the resumption in May of the Regular Operating District grants program, which funds approximately 40 percent of eligible costs for projects in RODs. As of the CEO's September 21 testimony, the SDA had executed 284 ROD grants, totaling \$107 million in State share and \$231.3 million in overall estimated costs.

Third, in June, the SDA announced a comprehensive reorganization of the Authority. The new structure moves away from a departmental model for the delivery of school projects to a "team-based" approach. This structure will provide for greater continuity and better communication throughout the entire life cycle of a project. By breaking down organizational silos, the Authority will be able to deliver projects more efficiently and with the strictest adherence to cost controls.

Larkins also updated legislators on the SDA's comprehensive review of all 2008 Capital Plan projects not yet in construction. The review is being done in partnership with the DOE and is expected to be ready for review by the Christie Administration this fall. The review of the 2008 Capital Plan will include an evaluation of the policies that were used to develop the Capital Plan to determine whether the prioritization criteria and other

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protocols should remain or if modifications should be made. The SDA will also consider the findings and recommendations in the State Auditor's June 2010 report regarding the Capital Plan.

In addition, Larkins pointed to the significant ongoing achievements of the SDA. It is currently managing 48 projects throughout the state estimated at \$405.6 million, including:

- Seven major construction projects in SDA Districts.
- Two major construction projects in RODs.
- 39 SDA-managed projects addressing emergent and emergency conditions in SDA Districts.

Larkins advised the subcommittee that additional grant executions are on the horizon. The DOE recently approved 740 ROD projects through its latest allocation of funding. Districts are eligible for \$270 million in state funding for these projects. The SDA will begin to execute these grants as districts secure their local share of funding. Also, an additional 25 vocational projects totaling \$16 million in state funding were approved by DOE.

The CEO also testified before the subcommittee about the largest cost recovery to date by the school construction program. (Additional details below).

School Construction Program Achieves Its Largest Cost Recovery

On September 16, the Christie Administration announced that, through the collaborative work of the SDA and the Office of the Attorney General, it has recovered the full cost of \$6.5 million to pay for cleanup of a contaminated property in connection with a Camden school project.

The property is the former 14-acre site of the Stockton Station apartment complex and is adjacent to Camden's Octavius V. Catto Community School. The remediated property will become part of a community park, now under development.

On August 11, 2010, the SDA received a check representing reimbursement from three defendants – H. Kohnstamm and Co. Inc., Warner Jenkinson Company Inc., and Sensient Colors Inc. The reimbursement, which follows the May 27, 2010 settlement of a lawsuit, represents a unique and proactive approach in protecting taxpayer dollars when conducting environmental remediation.

Orange/Lincoln Avenue Elementary School Ribbon-Cutting:

The SDA joined Orange Board of Education officials for a ribbon-cutting on September 15 to formally open the expanded and modernized Lincoln Avenue Elementary School.

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The facility will provide 21st century educational opportunities for 645 students in kindergarten through 8th grade.

Students, parents, state and local officials and community leaders were on hand for the ceremony at the school.

The original Lincoln Avenue Elementary School was built in 1892 – the year before Thomas Edison opened the first motion-picture studio in Menlo Park, N.J. – and expanded in 1906. The SDA project unveiled today involved the renovation of the existing 81,856-square-foot elementary school and construction of a 48,174-square-foot two-story addition, increasing the available space by nearly 60 percent.

The event marked the third major school project that the SDA has completed in Orange. The new Main Street Elementary School opened in 2004 and the expanded and renovated Park Avenue Elementary School opened in 2009.

Lincoln Avenue Elementary School now consists of 27 general education classrooms, four special education classrooms, seven small-instruction rooms and two computer labs, as well as rooms for speech, family consumer science, world language, science, art, and instrumental and choral music. The addition includes a cafeteria, gymnasium/auditorium and media center.

Cedar Creek High School Ribbon-Cutting:

The SDA and Greater Egg Harbor Regional School District Board of Education officials held a ribbon-cutting on September 25 to formally open Cedar Creek High School, which will serve nearly 1,100 students upon reaching full enrollment.

Students, parents, area officials and community leaders were on hand to celebrate the district's newest high school, the only one located in Egg Harbor City. The old high school closed in 1960, with local students since attending the district's two other high schools in Galloway (Absegami High School) and Mays Landing (Oakcrest High School).

The event acknowledged the contributions of Adam Pfeffer, the former district superintendent who worked for years to get the high school built. Pfeffer died earlier this year, and the school's Performing Arts Center has been named in his memory.

Cedar Creek High School, located on a 66-acre campus, opened its doors to 450 freshman and sophomore students on September 7. The new high school eventually will accommodate up to 1,092 students in grades 9-12, with one grade being added in each of the next two years.

The two-story, 190,400-square-foot Cedar Creek High School features 24 general classrooms, six science labs, three business classrooms, two health classrooms, three

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special education rooms, six resource rooms, a media center/library, a family/consumer science room, two music rooms, two art rooms, a dance room, a drama room, a technology room, an auditorium, music areas and a cafeteria. The facility also has a gymnasium, auxiliary gym, locker rooms and six athletic fields.

Benjamin Banneker Academy School Ribbon-Cutting:

The SDA and the East Orange School District Board of Education officials held a ribbon-cutting on October 4 to formally open Benjamin Banneker Academy, which will serve 567 students in grades K-5.

Students, parents, area officials and community leaders celebrated the opening of the school, the sixth new or renovated project to be completed in East Orange in as many years.

The new school has more than 83,000 square feet. It provides 28 regular classrooms along with many other specialized spaces, including rooms for science; writing and speaking; foreign language; computers; art and music. It has space dedicated to teaching hospitality management as well. It also provides a new cafeteria, auditorium and gymnasium.

Event:

- **October 21** - Speech to Urban Mayors: CEO Marc Larkins will speak to the New Jersey Urban Mayors Association at its annual meeting at Thomas Edison State College.

Report prepared by: Larry Hanover